DOCUMENT RESUME

ED 450 821 JC 010 195

AUTHOR Mortimer, Kenneth P.
TITLE University of Hawaii Tuition Schedule Proposal, 1998-1999 and 1999-2000.
INSTITUTION Hawaii Univ., Honolulu.
PUB DATE 1998-01-05
NOTE 35p.
AVAILABLE FROM For full text: http://www.kcc.hawaii.edu/staff/senate/ay97 98/sp98fs7.htm.
PUB TYPE Opinion Papers (120) -- Reports - Descriptive (141)
EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS *Board Administrator Relationship; College Planning; Educational Finance; *Higher Education; School Administration; State Universities; *Tuition; Tuition Grants
IDENTIFIERS *University of Hawaii

ABSTRACT

This document outlines the University of Hawaii's tuition schedule proposal, which recommends that the Board of Regents approve rate schedules in four areas for 1998-1999 and 1999-2000: (1) full-time tuition schedule per semester; (2) continuing education and community services per-credit-hour schedule; (3) summer session per-credit-hour schedule; and (4) apprentice and journey worker per-clock-hour schedule. The proposed tuition schedule for community college students is $492/semester for residents in 1998-99 and $516 for 1999-2000. The modest dollar tuition increases proposed for 1998-1999 and 1999-2000 are based on a rationale that takes into consideration the components of the Board of Regents tuition setting policy. The proposed increases for the next two years, when coupled with available financial assistance, will continue to afford access for Hawaii's residents. Approximately $10 million of tuition revenues were set aside and used to grant one out of every seven students' tuition wavers in the past year. These tuition waiver programs will continue. In addition to the rationale for the tuition proposal for 1998-1999 and 1999-2000, the following attachments are enclosed: proposed tuition schedules; key characteristics of the proposal; background information on tuition and Hope and Lifetime Learning tax credits; per-credit-hour schedule; institutional comparisons of tuition rates; and summary of comments as concerns raised at public meetings. (JA)

Reproductions supplied by EDRS are the best that can be made
from the original document.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

C Yoshioka

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

This document has been reproduced as received from the person or organization originating it.

Minor changes have been made to improve reproduction quality.

Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

ED 450 821

UNIVERSITY OF HAWAI'I

President University of Hawai'i
and Chancellor University of Hawai'i at Manoa

January 5, 1998

MEMORANDUM

TO: Mr. David B. Ramos
Chairperson, Board of Regents

FROM: Kenneth P. Mortimer
President University of Hawai'i and
Chancellor, University of Hawai'i at Manoa

SUBJECT: TUITION SCHEDULE PROPOSAL, 1998-1999 AND 1999-2000

I. ACTION RECOMMENDED

It is recommended that the Board of Regents approve the following tuition schedules for 1998-1999 and 1999-2000 as provided in Attachment 1:

A. Full-Time Tuition Schedule) Per Semester;

B. Continuing Education and Community Service Per-Credit-Hour Schedule;

C. Summer Session Per-Credit-Hour Schedule; and

D. Apprentice and Journey Worker Per-Clock-Hour Schedule.

II. OVERVIEW

The University's current tuition schedule (except for law) extends through summer 1998.

Authority to establish University of Hawai'i tuition (unless otherwise delegated) resides with the Board of Regents. Board policy is summarized in Attachment 3.

The major characteristics of and rationale for the tuition proposal for 1998-1999 and 1999-2000 are summarized in this action memo. The following attachments are enclosed.

¥ Attachment 1 contains the proposed tuition schedules.

¥ Attachment 2 highlights key characteristics of the proposal (percent increases, percent of WICHE, percent of UHM undergraduate and percent of cost).

¥ Attachment 3 summarizes in a question-and-answer format important background information on tuition, including relevant state, Board, and executive policies.

BEST COPY AVAILABLE

- Attachment 4 summarizes in question-and-answer format information on the recently enacted Hope and Lifetime Learning Tax Credits.

- Attachment 5 contains the per-credit-hour schedule that will be promulgated by the President after the Board acts on the proposed tuition schedules.

- Attachment 6 provides institutional comparisons of tuition rates.

- Attachment 7 is a summary of comments and concerns raised at public meetings.

III. TUITION PROPOSAL

The components of the University of Hawai'i tuition proposal for 1998-1999 and 1999-2000 are as follows:

1. Dollar Increases. The semester resident and nonresident dollar tuition increases proposed for full-time students (12 credits plus) for each of the 1998-1999 and 1999.2000 years are as follows:

	UHCC	UHWO	UHH	UHM
Undergraduate	$24	$36	$36	$48
Graduate			$60	$60
Medicine				$120

2. Stipulations. The following specific provisions apply to the above proposal.

   a. Dollar increases ensure that per-credit-hour charges equal whole numbers.

   b. At UH Hilo, lower division dollar increases are the same as those for upper division. This will not narrow the lower division and upper division differential, but will retain the status quo relationship.

   c. The Community College non-resident tuition dollar increases proposed above require a change in Statute that repeals the requirement that non-resident tuition must be at least twice the UH Manoa undergraduate resident rate. The administration is submitting a bill to the 1998 Legislature to effect this change. If that measure is NOT passed, the UH Community College non-resident dollar increases will be $72 in 1998-1999 and $96 in 1999-2000.

   d. This proposal does not apply to the Law School; the Board of Regents previously approved a Law School tuition schedule through the year 2000-2001.

3. Revenues. Assuming no increase in enrollment in 1998-1999 and a 1% increase in 1999-2000, the proposed tuition increases will generate approximately $2.2M

additional dollars in the first year and another $2.9M in the second year.

4. Summer Session and Continuing Education. Proposed summer session and continuing education resident per-credit-hour charges will continue current patterns relative to the regular day charges. Proposed rates will continue to move summer session toward uniform resident and non-resident tuition charges.

5. Apprentice and Journey Worker Charges. No change in apprentice and Journey worker per-lock-hour tuition is recommended at this time. This matter will be revisited in conjunction with the tuition schedule for 2000-2001.

IV. RATIONALE

The very modest dollar tuition increases proposed for 1998-1999 and 1999-2000 are based on a rationale that takes into consideration the components of the Board of Regents tuition setting policy.

Student Access and the Mix of Students

1. Access. The University is committed to providing the people of Hawai'i access to quality post-secondary education. Even with the substantial tuition increases of recent years, resident tuition at UH campuses is still low when compared with like institutions elsewhere. The proposed increases for the next two years, when coupled with available financial assistance, will continue to afford access for Hawai'i's residents.

   Many factors contributed to the University's enrollment picture for the past two years (6%14% declines); tuition played some part The modest proposed tuition increases recognize Hawai'i's economic condition and the importance of stabilizing enrollments, among other considerations. (See Attachment 3, page 4.)

2. Student Mix. Past tuition increases have had no discernible impact on enrollment by ethnicity, and the proposed increases are not expected to have any negative impact in this regard.

Financial Aid Availability and Use

3. Financial Assistance. Available financial aid continues to be substantial, and recent tax credits will ease the burden for some students and their families.

   Approximately $10 million of tuition revenues were set aside and used to grant one out of every seven students tuition waivers in the past year. Tuition waiver programs will continue.

   The outlook for federal financial aid is generally good; the Pell Grant award maximum is increasing, as are federal work study funds.

In 1998-97, $52 million in federal, state, and institutional aid was available. Another $9 million came to students from third parties or external scholarship programs. Student employment is not considered financial aid but does provide a source of assistance. Over $2 million in scholarships and fellowships was provided by the UH Foundation, including 30 new scholarships.

The level of indebtedness for Manoa students is below the national level, as is the share of aid that UH students receive in the form of loans.

4. Tax Credits. The Taxpayer Relief Act of 1997 includes the Hope and Lifetime Learning Tax Credits. These credits are described on pages 8 and 9 of Attachment 3 and in Attachment 4. While these credits are not part of the justification for the proposed tuition increases, they are discussed here because their potential impact for students and their families is very significant Individual student and family circumstances will determine the specific tax credit that may be available, and advice from tax professional should be sought The information that follows is illustrative of the overall benefits that may be available given the tuition schedules for 1998-1999 and 1999-2000 proposed here.

Because of the low resident tuition at the UH Community Colleges, resident students attending Community Colleges and qualifying for the Hope tax credit for the 1999 tax year could have all but $16 of their total annual tuition offset in the form of a credit against taxable UH Hilo lower division students qualifying for the Hope

tax credit could have all but $208 of their total annual tuition offset as a credit against taxable income. All students attending UH Manoa as freshmen and sophomores and qualifying for the full benefit could have $1500 of their total annual tuition offset as a credit against taxable income.

The Lifetime Learning tax credit will benefit those not eligible for the Hope tax credit For the 1999 tax year, with the Proposed tuition schedules, the Lifetime Learning tax credit means that all University of Hawai'i resident students (except law and medicine) may claim 20% of their total tuition and qualified fees to a maximum of $1000 credit against taxable income. UHM law and medical students may claim 20% of the first $5,000 of qualified tuition paid.

The Hope and Lifetime Learning tax credits will also benefit students for tuition paid within the qualifying payment deadlines for the 1998 tax year (see Attachment 4). The benefits of the Lifetime Learning tax credit will increase to 20% of $10,000 qualified tuition and fees in the year 2003.

Cost of Education and Cost Sharing Between Students and

the Public

5. Cost sharing. Proposed increases will continue a pattern of cost sharing between students and taxpayers. Board policy does not require that tuition cover a specific percent of cost but does require that this matter be taken into consideration.

   There is a strong positive correlation between income levels and levels of educational attainment this makes the case that those who attend clearly stand to benefit as a result of their attendance.

   The additional revenues associated with the proposed increases are summarized above and mean that students will be making a marginal additional contribution to the University's overall financial picture. It will be very important that these additional revenues not be offset by further reductions in the University's general fund base.

   State law places a 30% limit on resident undergraduate tuition as a share of cost Proposed increased for the next two years are within this limit. Excluding law, proposed resident tuition will reflect an estimated 12% to 23% share ofcost the lower 12% figure is at UH Hilo lower division.) Non-resident tuition schedules will

   cover an estimated 40% to 93% of cost Detailed data are provided in Attachment 2.

   [In accordance with the law school tuition schedule approved eariier by the Board, resident law students will be paying up to 51% of cost and non-resident tuition will cover approximately 88% of cost over the next two years.]

   Differential Rates by Mission, Student Level (undergraduate, graduate, law, and medicine), and Resident and Non-Resident'

6. Mission.. The gradual scaling of proposed increases within the UH system reflects the differentiation of mission and opportunities affbrded across open door community colleges, baccalaureate institutions, and a research university.

7. Student Level. The higher dollar increases proposed for graduate and medical students reflects that these levels of education are more expensive than undergraduate.

   The long-term goal is to achieve one undergraduate resident rate at UH Hilo. Establishing resident tuition rates that facilitate campus recruitment precludes progress in achieving one resident rate at this time. This matter will be revisited in the future.

8. Residency. In general, non-resident enrollment has declined more than total enrollment over the last two

years. Exempted non-residents have declined more than non-exempted non-residents. And the declines have not been consistent across UH Units or by campus.

These enrollment changes, the higher base rates that already exist for non-residents, and the relative standing of these rates with non-resident tuition at other institutions provide the basis for proposing the same dollar increases for non-residents as for residents.

As discussed earlier, separate action will be pursued to repeal the statutory requirement linking resident and non-resident tuition. This requirement has resulted in UH Community College non-resident tuition that is six times the resident rate and approximately 28% above comparable WICHE averages.

Relative Standing with Like Institutions

9. Institutional Comparisons and State Averages. Based on

available data, the proposed tuition increases will continue resident tuition rates at UH campuses that are below bench mark and national averages for comparable types of institutions. Nonresident rates will continue to be competitive, approximating or in some cases exceeding the average charges at benchmark and comparable mainland institutions. Column 5 in Attachment 2 provides comparisons with estimated WICHE averages. Attachment 6 provides ihstitutional comparisons. when comparing proposed UH rates with 1996 national data, it is important to estimate increases in national averages of approximately 5% for each of the last two years.

Within Hawai'i, except for LDS members attending BYU Hawai'i, University of Hawai'i campuses will continue to provide residents with the lowest tuition in the state. UH Hilo lower division resident tuition is currently the lowest in the country for state averages at like institutions and among UHH's benchmark comparison group.

Other: Cost of Living and Fees

10. Indexes. Currently the national tuition price index percentage increases elsewhere are on top of considerably higher base tuition schedules than those that exist for UH resident students. Higher education, academic and library, and consumer price indexes over the last two years are in the 2% to 4% range.

The very modest proposed dollar adjustments reflect 3% to 5% increases for UHM, UHH (upper division), UHWO, and UH Community College undergraduate residents in each of the next two years. Because of the low base for lower division at UH Hilo, the proposed $36 dollar increase reflects a slightly higher percent increase than for other undergraduates. However, the UH Hilo lower division resident tuition will continue to be one of the

best tuition bargains in the country. The larger dollar increases for graduate and medical students translate to annual percentage increases of 2% to 3%. Increases for all nonresidents will be approximately 1% each year. (See Attachment 2, Column 4.)

11. Fees. The University of Hawai'i has determined not to propose a technology fee at this time. The matter needs further consideration so that it might be tailored to different needs across the system.

V. PROCESS

A. The University's tuition setting process involved the following steps and time line.

1. Status report to the Board of Regents: May 1997..

2. Research and proposal preparation: September-October 1997.

3. Board of Regents briefing: October 15,1997.

4. Proposal distributed to the University community (administrators, student governmert, faculty senates, collective bargaining units); copies placed in University libraries and made available from campus and system offices; and the proposed rates posted on the World Wide Web: October 20,1997.

5. Thirty-day period for briefings for the University community, wriften comments, and 15-day notice of public meetings.

   a. Briefing over the HITS network to 11 University sites across the state: November 6, 1997. Briefing involved a presentation of the tuition proposal and rationale followed by a question and answer period.

   b. Similar briefing at Windward Conimunity College: November 18,1997.

   c. Written comments and e-mails accepted through

6. Public meetings took place as follows:

Island	Date	Time	Place
Hawai'i	11/20/97	5 to 7 p.m.	UH Hilo Campus Center, Rooms 306-307
Oahu	11/24/97	3 to 6 p.m.	UH Minoa Campus Center Ballroom
Maui	12/1/97	2 noon to 2 p.m.	Maui CC Student Center, 2nd floor

BEST COPY AVAILABLE

Kaua'i	12/2/97	2 to 4 p.m.	Kaua'i CC Campus Center Dining Room

7. Time for revisions following public meetings: December 1997.
8. Board of Regents action: anticipated February 1998.
9. Filing with the Lieutenant Governor's Office will follow BOR action as required by HRS 304-4.4.

B. Analysis of the Process

Even though the University's tuition-setting process does not require Chapter 91 public hearings, it is still a very lengthy and resource consuming effort Based on a review of the fail 1997 experience, it may be that the university should reconsider the value of holding both briefing sessions and public meetings, especially for tuition increases that are five percent or less.

VI. STUDENT COMMENTS AND CONCERNS

As summarized above, the administration conducted tuition briefings for students and others during November and early December 1997. Attachment 7 provides a report to the Board on the comments and concerns raised and petitions submitted.

In general, student concerns focused on benefits and access.

1. Students are concerned about the benefits associated with tuition increases. They sense few benefits from past increases and want to know how additional revenue will be used.

2. Students are concerned about restricted access, especially for lower income groups that find tuition already burdensome.

   Outside of formal meetings, some students do share a recognition that UH tuition rates are reasonable and that the prcposed increases are modest In general, students recognize the unfairness associated with periods of no increases followed by large jumps in tuition.

Enclosures
c: Board Secretary lshii University Executive Council

Attachment 1

Proposed Schedules:
¥ Full Time Tuition Schedule, Per Semester
¥ Continuing Education and Community Service Per Credit Hour Schedule
¥ Summer Session Per Credit Hour Schedule
¥ Apprentice and Journey Worker Per Clock Hour schedule

University of Hawai'i Tuition

¥ Full Time Tuition Schedule,(12 credits) Per Semester, All Campuses

	Academic Years					
	A:1997-98		B:1998-99		B:1999-00	
	Res.	Nonres.	Res.	Nonres.	Res.	Nonres.
UH MANOA						
Undergraduate	1416	4656	1464	4704	1512	4752
Graduate	1896	4860	1956	4920	2016	4980
C:Law	2640/3504	6720	2904/3852/4008	7056	4260	7416
Medicine	5292	12,144	5412	12,264	5532	12,384
UH HILO						
Lower Division	636	3444	672	3480	708	3516
Upper Division	1068	3852	1104	3888	1140	3924
Graduate			1956	4920	2016	4980
UH-WEST O'AHU	876	3444	912	3480	948	3516
UH COMMUNITY COLLEGE	468	2856	492	D:2880/2928	516	D:2904/3024

Notes: A: Except as noted for law, previously approved by Board of Regents, February 16, 1996.
B: Except as noted for Law, proposed.
C: Law rates for all three years previously approved by Board of Regents, January 23, 1997.
D: The lower Community College non-redisdent rate requires repeal of part of HRS 304-4 (b); if the law is not changed, the higher amount wil be effective.
E: Unless a special tuition schedule applies, regular day tuition applies to any credit course offered throughout the year for which a General Fund appropriation is authorized.

OVPPP: 12/17/97

¥ Continuing Education and Community Service Per Credit Hour

Schedule

	Academic Years					
	A:1997-98		B:1998-99		B:1999-00	
	Res.	Nonres.	Res.	Nonres.	Res.	Nonres.
UH MANOA CCECS						
Undergraduate	118	388	122	392	126	396
Graduate	158	405	163	410	168	415
UH HILO CCECS						
Undergraduate	89	321	92	324	95	327
Graduate	158	405	163	410	168	415

Notes: A: Previously approved by Board of Regents, 02/16/96
B: Proposed
C: At all campuses, tuition is not charged for credit courses that are subsidized under contractual agreements.
OVPPP: 12/17/97

¥ Summer Session Per Credit Hour Schedule

	Academic Years					
	1997-98		1998-99		1999-00	
	A: Summer 1998		B: Summer 1999		B: Summer 2000	
	Res.	Nonres.	Res.	Nonres.	Res.	Nonres.
UH MANOA						
Undergraduate	118	130	122	130	126	130
Graduate	158	158	163	163	168	168
Law	210	210	242	242	355	355
UH HILO	118	130	122		126	130
UH-WEST O'AHU	118	130	122		126	130
UH COMMUNITY COLLEGE	83	130	87		93	130

Notes: A: Approved by Board of Regents, 02/16/97
B: Proposed Schedule
C: At all campuses, tuition is not charged for credit courses that are subsidized under contractual agreements.

¥ Apprentice and Journey Worker Per Clock Hour schedule

	Academic Years		
	A:1997-98	B:1998-99	B:1999-00
UH COMMUNITY COLLEGES	.30	.30	.30

Notes: A: Approved by Board of Regents, 02/16/97

B: Proposed.
OVPPP: 12/17/97

ATTACHMENT 2
TUITION PROPOSAL:
MAJOR CHARACTERISTICS

SUMMARY OF TUITION RATES, REVENUES AND COMPARATIVE DATE

ESTIMATES FOR 1997-1998

	1 ACTUAL 1996-97	2 CURRENT 1997-98	3 CHANGE AMOUNT	4 CHANGE PERCENT	5 PCT OF WICHE (1)
RES. RATES					
UH MANOA					
Undergrad.	1,152	1,416	$ 264	22.9%	84.9%
Graduate	1,572	1,896	$ 324	20.6%	97.4%
Law	2,400	3,072	$ 672	28.0%	81.5%
MD	4,500	5,292	$ 792	17.6%	105.9%
UH HILO					
Lower Div	444	636	$ 192	43.2%	53.7%
Upper Div	888	1,068	$ 180	20.3%	90.3%
UHWO	696	876	$ 180	25.9%	74.0%
UHCC	384	468	$ 84	21.9%	77.4%
NON-RES. RATES					
UH MANOA					
Undergrad	3,876	4,656	$ 780	20.1%	84.6%
Graduate	4,044	4,860	$ 816	20.2%	84.9%
Law	6,372	6,720	$ 348	5.5%	89.7%
MD	11,568	12,144	$ 576	5.0%	111.3%
UH HILO					
Lower Div	2,868	3,444	$ 575	20.1%	105.6%
Upper Div	3,204	3,852	$ 648	20.2%	118.1%
UHWO	2,868	3,444	$ 576	20.1%	105.6%
EHCC	2,556	2,856	$ 300	11.7%	128.2%

	6 PCT OF UHM UG	7 PCT OF COST
RES. RATES		
UH MANOA		
Undergrad.	100%	21.3%
Graduate	143%	15.6%
Law	217%	36.8%
MD	374%	20.2%
UH HILO		
Lower Div	45%	11.4%
Upper Div	75%	17.7%
UHWO	62%	19.3%
UHCC	33%	15.3%
NON-RES.RATES		

UH MANOA		
Undergrad.	329%	70.1%
Graduate	343%	39.9%
Law	475%	80.6%
MD	858%	46.3%
UH HILO		
Lower Div	243%	61.8%
Upper Div	272%	63.8%
UHWO	243%	75.8%
UHCC	202%	93.6%

	8 ACTUAL 1996-97	9 PRELIM 1997-98	10 CHANGE AMOUNT	11 CHANGE PERCENT
REVENUES (000)				
UHM	34,655	38,522	3,867	11.2%
UHH	3,476	3,978	502	14.4%
UHWO	520	629	109	20.9%
UHCC	14,594	16,265	1,671	11.4%
UH TOTAL	53,245	59,394	6,149	11.5%
Hawaii	1,257	1,406	149	11.9%
Honolulu	2,272	2,456	184	8.1%
Kapiolani	4,752	5,186	434	9.1%
Kauai	677	720	43	6.4%
Leeward	3,282	3,840	558	17.0%
Maui	1,576	1,788	212	13.5%
Windward	778	869	91	11.7%

(1) "Tuition and Fees, Public Higher Education in the West, 1996-97," WICHE, 1996. Data shown is latest available actual data and where necessary estimated for the comparison data indicated.

PROJECTION FOR 1998-1999

	1 CURRENT 1997-98	2 PROJ AMOUNT	3 CHANGE AMOUNT	4 CHANGE PERCENT	5 PCT OF WICHE (1)
RES. RATES					
UH MANOA					
Undergrad.	1,416	1,464	$ 48	3.4%	86.2%
Graduate	1,896	1,956	$ 60	3.2%	98.2%
Law (1)	3,072	3,588	$ 516	16.8%	83.6%
MD	5,292	5,412	$ 120	2.3%	100.5%
UH HILO					
Lower Div	636	672	$ 36	5.7%	53.0%
Upper Div	1,068	1,104	$ 36	3.4%	87.1%
UHWO	876	912	$ 36	4.1%	72.0%
UHCC	468	492	$ 24	5.1%	78.2%
NON-RES RATES					
UH MANOA					
Undergrad.	4,656	4,704	$ 48	1.0%	81.3%
Graduate	4,860	4,920	$ 60	1.2%	82.0%
Law (2)	6,720	7,056	$ 366	5.0%	86.5%
MD	12,144	12,264	$ 120	1.0%	108.5%
UH HILO					
Lower Div	3,444	3,480	$ 36	1.0%	100.4%

Upper Div	3,852	3,888	$ 36	0.9%	112.2%
UHWO	3,444	3,480	$ 36	1.0%	100.4%
UHCC	2,856	2,880	$ 24	0.8%	124.8%

	6 PCT OF UHM UG	7 PCT OF COST
RES. RATES		
UH MANOA		
Undergrad.	100%	21.9%
Graduate	134%	16.0%
Law (1)	245%	42.8%
MD	370%	20.5%
UH HILO		
Lower Div	46%	12.0%
Upper Div	75%	18.2%
UHWO	62%	20.2%
UHCC	34%	15.4%
NON-RES RATES		
UH MANOA		
Undergrad.	321%	70.4%
Graduate	336%	40.2%
Law (2)	482%	84.1%
MD	838%	46.4%
UH HILO		
Lower Div	238%	62.3%
Upper Div	266%	64.3%
UHWO	238%	77.3%
UHCC	197%	90.1%

	8 PRELIM 1997-98	9 PROJ AMOUNT	10 CHANGE AMOUNT	11 CHANGE PERCENT
REVENUES (000)				
UHM	38,522	39,875	1,353	3.5%
UHH	3,978	4,106	128	3.2%
UHWO	629	654	25	4.0%
UHCC	16,265	16,988	723	4.4%
UH TOTAL	59,394	61,623	2,229	3.8%
Hawaii	1,406	1,470	64	4.6%
Honolulu	2,456	2,581	125	5.1%
Kapiolani	5,186	5,399	213	4.1%
Kauai	720	758	38	5.3%
Leeward	3,840	4,033	193	5.0%
Maui	1,788	1,866	78	4.4%
Windward	869	913	44	5.1%

(1) "Tuition and Fees, Public Higher Education in the West, 1996-97," WICHE, 1996. Data shown is latest available actual data and where necessary estimated for the comparison data indicated.

(2) The rates for Law (Res) are variable; the average is shown for ease of comparative display.

PROJECTION FOR 1999-2000

	1 CURRENT 1998-99	2 PROJ AMOUNT	3 CHANGE AMOUNT	4 CHANGE PERCENT	5 PCT OF WICHE (1)
RES. RATES					
UH MANOA					
Undergrad.	1,464	1,512	$ 48	3.3%	87.4%
Graduate	1,956	2,016	$ 60	3.1%	98.9%
Law (1)	3,588	4,260	$ 672	18.7%	87.2%
MD	5,412	5,532	$ 120	2.2%	95.3%
UH HILO					
Lower Div	672	708	$ 36	5.4%	52.3%
Upper Div	1,104	1,140	$ 36	3.3%	84.3%
UHWO	912	948	$ 36	3.9%	70.1%
UHCC	492	516	$ 24	4.9%	78.8%
NON-RES RATES					
UH MANOA					
Undergrad.	4,704	4,752	$ 48	1.0%	78.3%
Graduate	4,920	4,980	$ 60	1.2%	79.4%
Law	7,056	7,416	$ 360	5.1%	83.5%
MD	12,264	12,384	$ 120	1.0%	105.7%
UH HILO					
Lower Div	3,480	3,516	$ 36	1.0%	95.5%
Upper Div	3,888	3,924	$ 36	0.9%	106.6%
UHWO	3,480	3,516	$ 36	1.0%	95.5%
UHCC	2,880	2,904	$ 24	0.8%	121.4%

	6 PCT OF UHM UG	7 PCT OF COST
RES. RATES		
UH MANOA		
Undergrad	100%	22.5%
Graduate	133%	16.4%
Law (1)	282%	50.5%
MC	366%	20.9%
UH HILO		
Lower Div	47%	12.7%
Upper Div	75%	18.9%
UHWO	63%	21.0%
UHCC	34%	16.5%
NON-RES. RATES		
UH MANOA		
Undergrad	314%	70.6%
Graduate	329%	40.5%
Law (2)	490%	87.9%
MD	819%	46.8%
UH HILO		
Lower Div	233%	63.1%
Upper Div	260%	65.0%
UHWO	233%	77.9%
UHCC	192%	92.8%

8 9 10 11

	PROJ 1998-99	PROJ AMOUNT	CHANGE AMOUNT	CHANGE PERCENT
REVENUES (000)				
UHM	39,875	41,633	1,758	4.4%
UHH	4,106	4,276	170	4.1%
UHWO	654	686	32	4.9%
UHCC	16,988	17,887	900	5.3%
UH TOTAL	61,623	64,483	2,860	4.6%
Hawaii	1,470	1,549	79	5.4%
Honolulu	2,581	2,735	154	6.0%
Kapiolani	5,399	5,671	272	5.0%
Kauai	758	804	46	6.1%
Leeward	4,033	4,269	236	5.9%
Maui	1,866	1,964	98	5.3%
Windward	913	968	55	6.0%

Attachment 3
QUESTION AND ANSWER
UNIVERSIT'Y' OF HAWAI'I
BACKGROUND INFORMATION ON TUITION
Office of the Vice President for Planning and Policy
September 1997

The following information responds to commonly asked questions about tuition. Additional and updated information will be provided as it becomes available.

STATUTORY POLICY REQUIREMENTS

1. What state laws impact tuition?

Tuition is governed by HRS 92-28, 304-4, 304-4.4, and 304-1 6.5. Relevant statutory provisions provide that:

a. The Board of Regents establishes tuition changes.
b. The Board of Regents grants, modifies or suspends tuition waivers.
c. The University retains tuition revenues.
d. Non-resident tuitlon must be twice the resident rate and always at least twice the UH Manoa undergraduate resident rate. (This requirement is resulting in excessive non-resident charges in some cases; its repeal is being proposed.)
e. Resident undergraduate tuition shall not exceed 30% of the estimated average annual cost of education.
f. Tuition for apprenticeship programs at the Community Colleges shall be at least 30 cents per dock hour.

BOARD OF REGENTS TUITION POLICY'

2. Why don't we just use one rule or index to set tuition?

Currently, Board of Regents policy has five considerations or rules that are to be taken into account wnen setting tuition. These are:

a. student access and the mix of students;
b. financial aid availability and use;
c. the cost of education and cost sharing between students and the public;
d. differential rates by Unit mission, student level (undergraduate, graduate, law, and medicine), and by resident and non-resident students;
e. the relative standing of tuition charges with like mainland institutions.

In addition to the above, Hawai'i's cost of living and increases in fees have been considered when setting tuition. All of these factors must be considered and balanced in order to achieve tuition schedules that are appropriate to specific campuses, levels and types of student, budget circumstances, AND that fit together as a whole when considered from a state-wide perspective.

TUITION-SETTING POLICY AND NOTICE TO STUDENTS

3. What are the procedural requirements for setting tuition at the Universiy of Hawai'i?
Tuition setting at UH is governed by HRS 92-28 and 304-4.4. These statutes are summarized below.

a. When establishing resident and non-resident tuition at the University of Hawai'i, the Board of Regents is exempt from the public notice, public hearing, and gubernatorial approval requirements of Chapter 91.

b. Resslent and non-resident tuition may be established at an open public Board of Regents meeting subject to the requirements of the 'Sunshine Law" (Chapter 92), provided that:

(1) this open meeting is held during or prior to the semester preceding the semester to which the tuition applies; and that

(2) a copy of the schedule of resident tuition and the non-resident differential is filed in the Office of the Lieutenant Governor prior to taking effect.

c. State statute also requires that the Board's approval of any increase or decrease in tuition for regular credit courses shall be preceded by an open public meeting held during or prior to the semester preceding the semester to which the tuition applies.

Tuition setting pecedures that are consistent wlth statute were presented to the Board in September 1998 and promulgated

via Executive Policy E8.202. These procedures retain all the essential components of the former tuition-setting process; they provide students and others with timely notice, distribution, and explanation of tuition proposals, ensure that students and others have the opportunity t6 present testimony on University of Hawai'i tuition proposals at a formal public meeting, and provide time for revisions and BOR action at an open public meeting.

4. Why can't students have a full year of advance notice of tuition increases?

Notice to students of tuition increases is guided by Board policy, Section 8-3, which states:

> "Every effort will be made to provide advance notice of tuition increases."

It is not a legal or policy requirement to give a full year advance notice; the University was able to do so when tuition revenues were.not retaihed. Tuition revenues are now a major component of the University's budget. The fluidity of the University's general fund base makes it difficult to assure tuition rates a year or more in advance and still be able to meet instructional commitments.

5. When are students notified of tuition increases elsewhere?.

In other states, students are notified of tuition rates anywhere from years ahead of time to only several weeks ahead of time. There are instances of tuition rates that are not final until after classes start. It is not unusual for fall semester tuition rates to be set in April, May, June, or even later.

POLICY COMPARISONS

6. How does UH policy compare with other states?

The University of Hawai'i's tuition setting policy is comparable to tuition setting policies governing four-year institutions in other western states, according to a 1996 State Higher Education Executive Officers (SHEEO) and Western

Interstate Commission for Higher Education (WICHE) study. Hawai'i, like most of the 13 other western states in the study, indirectly considers the following factors when setting tuition: consumer price index; higher education price index; cost of living; state personal or disposable income; state general fund appropriations; cost of instruction or cost of education; prior year's tuition; other student fees or charges; peer institutions or groups; financial aid availability; and institutional mission. By indirectly considering each factor, as opposed to directly indexing a factor to the tuition rate, the majority of western states are

able to retain the flexibility necessary to determine tuition rates within the context of current internal and external constraints.

7. What differential rates exist within the UH system?

Currently, in addition to the non-resident differential, the University has differential tuitions for law, medicine, undergraduate and graduate levels at UH Manoa. The Community College campuses have a separate but uniform rate as does West O'ahu. UH Hilo has a separate schedule with differential rates for lower and upper division, and morn recently for graduate students.

Separate schedules exist for continuing education and summer session. These are tied to the regular day rates at UHM but are higher than the comparable day rates at the other campuses because of the need to generate revenue for non-general funded costs.

8. What are the current tuition charges at the University of Hawai'i?

The current UH semester full-time tuition schedule is part of Attachment 1.

9. What is the history of tuition increases?

All historical tuition increases must be considered in the context of the low UH base tuition. In the mid-1970's to the mid-1980's, tuition increases were sporadic. There were periods of no tuition increases interspersed with a few years of substantial tuition increases. While this tuition setting pattern was beneficial to students who attended during the no-increase periods, it was a hardship for students who attended during the adjustment period when large increases were instituted to compensate for the periods of no increases.

During the mid-1980's, the University moved toward a tuition-setting pattern of gradual, modest tuition increases. This move was based on the assumption that incremental Increases were fairer to a greater number of students. For the ten years, from 1986 through 1995, the average annual semester increase was $14 at the UH Community Colleges and $34 at UH Manoa. Given the low base, these increases averaged around 10% to 14% each year for the first four years to approximately 5% each year for the next five years.

However, in July 1995, Act 161 was signed into law; this law fundamentally changed the financing structure of the University of Hawai'l system. It was accompanied by substantial reductions in general fund support. For 1996-97, it was necessary to increase tuition approximately 50% for most students to accommodate the new fiscal realities. For 1997-98, tuition was increased another 20%-23% for most students. For UH Hilo, these percentage increases were higher

in order to move UH Hilo's lower-division toward one uniform rate. In January 1997, the Board approved a revised tuition schedule through the year 2000-01 for the School of Law. The intent is to move that School toward state-assisted rather than state-supported status.

TUITION REVENUES

10. What is the status of tuition revenues relative to projections?

For 1996-97, $52.9M in tuition revenues were projected; the estimated year-end revenues for 1996-97 are $53.2M. Revised and very preliminary tuition revenue estimates for 1997-98 are $59M.

11. How are tuition revenues allocated within the University?

Tuition revenues have become part of the University's total budget. Since 1995-96, tuition revenues have been assigned to the Unit (UHM, UHCCs, UHWO, UHH) generating the revenues. Within campuses, program budgets have not been directly tied to tuition generated.

It must be noted that, to date, the retention of tuition revenues has not enhanced the University's overall financial picture. With the passage of Act 161, the University's general fund base for 1995-96 was offset by an amount equal to the 1995-96 tuition base. Furthermore, the University's general fund appropriation of $313.8M for FYI 1995-96 has been reduced to $273M for FY 1997-98, a difference of approximately $40M. Again, for 1997-98, the State has found it necessary to restrict the University's budget by approximately $2M. Overall, the reductions in general fund appropriations and the additional restriction for FY98 far exceed all of the additional tuition revenues generated as a result of the tuition increases adopted by the Board for this two year period.

ACCESS, ENROLLMENTS AND STUDENT MIX

12. Was any effort made to estimate the impact of the last round of tuition increases on enrollments?

Yes; for the 1996-98 proposal, Emeritus Professor Walter Miklius (UHM Department of Economics) was asked to consider this matter, and he concluded that there was no readily available methodology that could be used to make such estimates; a tailored study would have been time-consuming and costly, and it was not clear that such a study would be worthwhile. Prudence dictated that 1996-97 tuition revenues be estimated based on an assumption of a 5% enrollment decline.

13. What actually fly happened to enrollments?

Enrollments declined 6% for the system in 1996-97. Data for fall 1997 indicates a 4% decline. tuition has played some part in these declines. Other apparent factors contributing

to the decline in 1996-97 enrollment were perceptions of quality relating to budget cuts, the state of the local and mainland economies, program restructuring including stop-outs and the transfer of some remedial instruction to non-credit, elimination of some tuition waivers (e.g., senior citizens), and strong recruitment campaigns by the independent sector alongside of very limited recruitment by UH. It is estimated that the transfer of some remedial education to non-credit accounted for approximately one percent of the total decline in 1996-97 and continues to impact community college enrollment in fall 1997.

14. Was there any significant impact on the mix of students?

In fall 1998, there was a larger decline in first-time freshmen (FTF) than in continuing students. Generally, the declines in FTF were greatest in the numbers coming from Hawai'i public high schools and foreign countries. UHM and Hawai'i CC experienced the largest declines. However, a sample of FTF who were admitted to UHM in fall 1998 but who did not enroll revealed that very few attributed their lack of attendance to the tuition increases; they chose to attend another college. Transfer students were more likely to cite tuition as a factor for not enrolling.

Analysis of fall 1997 enrollments indicates that first-time freshmen at UHM increase this despite some drop in the number of 1996-97 Hawai'i public high school seniors. Also, the number of UHM graduates has increased 3% to 4% in each of the last several year indicating that students are moving through their programs in a more timely manner.

A sample poll of 83 UH Hilo students not enrolling in fall 1997 revealed that 40 were not attending due to tuition increases. This was especially the case at the upper division level.

There has been no discernible impact on enrollment by ethnicity. Fall 1996 percentage enrollments by ethnic group were unchanged from the previous fall; Filipino and Hawaiian enrollment increased while Caucasian, Japanese, and Chinese enrollment declined or remained stable, sustaining long-term trends.

In general, non resident enrollment has declined more than total enrollment over the last two years.

Exempted non-residents have declined more than non-exempted non-residents. And, the declines have not been consistent across UH Units or by campus.

WAIVERS/FINANCIAL AID

15. Is some tuition revenue set aside for tuition waivers? How much?

Yes; a separate report on this matter is available. The University continues to make tuition waivers available based

on 15% of the prior fall full-time enrollment. Emphasis is placed on assisting those with financial need, graduate assistants, and categories of meritorious students. As a result, in 1996-97, approximately one out of every seven headcount students system-wide received a tuition waiver. Data indicates that these tuition waivers represent approximately $9.8 million in forgone revenue.

16. What are the overall levels and types of financial assistance?

In general, financial assistance is in the form of grants (scholarships/waivers), loans, and work-study wages. Regular student employment is available as a resource for students.

a. It is estimated that in 1996-97 roughly $52 million in federal, state, and institutional aid was available system-wide for UH students. In addition, about $3 million in funds were billed to third parties (i.e., outside agencies, companies, etc.) to cover tuition and fees. Also $6.3 million in scholarships were received by UH students from the two largest scholarship agencies, the Kamehameha Schools/Bishop Estate ($5.9 million) and the Hawai'i Community Foundation ($401,000).

b. In 1996-97, UH student employees earned more than $1 million in Federal Work Study wages and $12 million in other student employment jobs at the campuses.

c. In 1996-97, UH students received $2.2 million In scholarships/fellowships through the UH Foundation. More than 30 new scholarships were developed by the UH Foundation for the 1997-98 year.

17. How does UH student indebtedness compare with the national picture?

Students leaving UH have less indebtedness than their national counterparts.

a. The average overall student loan indebtedness for UHM undergraduate graduates is $4073, the third lowest compared to university graduates nation-wide. The national average undergraduate indebtedness at graduation is $13,788.

b. At the national level, the average indebtedness for undergraduates leaving school in early 1996 with Federal Family Education Loans was $10,148. Undergraduates leaving UH Manoa and UH Hilo in early 1996 and in the same loan program had an average indebtedness of $7,564.

c. Nationally, in 1995-98, 57% of aid awarded to students was in the form of federal loans. In 1996-97, UH students received approximately 45% of aid in loans (this does not include regular student employment nor the substantial number of tuition waivers given in addition to those provided as part of financial aid).

BEST COPY AVAILABLE

18. What is the outlook for federal financial aid?

For 1997-98, the Perkins loan program was restored to the 1995-96 level, and the State Student Incentive Grant (refereed to as the Hawai'i State Incentive Grant) was restored to 79% of the 1996-98 level. Congress is considering increases to the federal financial aid programs for FY99. The only program in jeopardy is the State Student Incentive Program. The maximum Pell Grant award is expected to increase from $2470 in FY97 to $2700 in FY98 and to $3000 in FY99. Congress has Increased funding to the Federal Work Study Program by 35% for FY98.

COST OF EDUCATION AND COST SHARING

19. Why should there be a sharing of cost between students and taxpayers?

Both students and taxpayers benefit from a well-educated society. The average family income of a college graduate is 70% more than for a high school graduate and a professional degree holder's average family income is 77% more than a graduate with a bachelor's degree (U.S. Census Bureau, 1995).

20. What's included in the cost of education analyses?

A description of how the cost of education has been calculated requires a summary of the components and assumptions involved.

The UH cost of education analysis uses the state program classification structure, which is consistent with national financial categories common to U.S. higher education institutions. The basic analytical components of cost of

education are (1) general funds, (2) tuition revenues, and (3) enrollments. These components are analyzed within certain assumptions.

a. Financial categories are treated as follows:

(1) All instruction included;
(2) All student service included;
(3) Organized (funded) research excluded;
(4) Public service excluded;
(5) Pro rata shares of institutional support and academic support included. The shares of institutional support and academic support assigned to funded research and public service are excluded.
(6) Pro rata shares of system-wide support and fringe benefits are included. The shares of system-wide support and fringe benefits assigned to funded research and public service are excluded.
(7) CIP (capital improvement) is excluded.

b. The methodology is based on known general fund allocations and assumes constant budgets for future years. The methodology projects tuition revenues at the

levels associated with applicable approved or proposed rates.

c. Enrollments are standardized on an annual FTE basis, and the most current available actual and projected enrollments are used in the methodology

d. At the Board's request in 1995, the methodology for computing the cost of education was adjusted to include a pro rata share of an annual R&M and equipment replacement budget.

21. Is cost of education defined in state law?

Act 161 specifies that "for purposes of this subsection, the 'estimated average annual cost of education,' as formulated by the university, shall include, but not be limited to, all instructional cost, all student service cost, and a pro rata share of institutional support, academic support, and fringe benefits." The University continues to follow this requirement and, to the extent possible, bases the cost of education analysis on actual and projected expenditures.

22. Is the unit of analysis for cost of education included in state statute?

No; this language was remove from early drafts of Act 161 based on University testimony that the University needed the widest possible latitude to calculate cost of education,

e.g., for the entire Community College system, as opposed to a specific campus or program.

23. Is there a specified percent of cost that a student must pay?

No, but Act 161 specified that undergraduate resident tuition cannot exceed 30% of the estimated average annual cost of education. UH schedules will continue to conform to this requirement.

24. Is the methodology for calculating the cost of education used by the University of Hawai'i similar to that used elsewhere?

Yes; based on available information, the methodology used by UH is similar to that used elsewhere. A survey of state higher education executive officers reveals that none of the responding states included funded research or public service in calculating the cost of education. Half included an amount for annual repairs and maintenance and half did not. It is not usual to include deferred maintenance; only one indicated doing so and this was an appropriated value. Nor is it usual to include the cost of physical facilities in the cost of education analyses; two included values relating to facilities (e.g., debt service), and the others did not.

25. Is it common to set tuition solely on the basis of cost of education?

No, but it is common for cost of education to be taken into

consideration; even when cost of education indices are used, they are usually only one of multiple factors considered.

26. What share of cost do UH students pay?

For 1997-98 and, as of 10/97, most UH resident undergraduates will pay tuition that represents approximately 15% to 21% of the projected cost of education. The range for UHM resident graduate and professional students is projected as 15% to 36%; the higher shares are at the ~w School. Non-resident students pay a higher sham of cost. For 1997-98, their share will range from 39% to 93%. The 93% share is at the Community Colleges, reflecting their primary mission to serve resident students.

27. What share of cost of education do resident students in other states pay?

A 1992 study found values ranging from 25%-33% of cost. More recent information indicated a 40%-6Q% split between resident undergraduate students and taxpayers.

28. Do other states subsidize nonresident instruction?

Some do and some do not. A 1992 study indicated that some public institutions charge nonresidents 100% of cost, and this practice was more prevalent at the undergraduate level than at the graduate level. A 1993 SHEEO study found that professional programs, such as law and medicine, typically have higher tuition, but only in fields such as law and graduate-level business administration do tuition rates approach the actual per-student program costs. Available information suggests that some subsidy of nonresident graduate students and nonresident medical students takes place. For example, in the State of Washington, before the practice of using cost of education as a tuition factor was suspended, nonresident graduate student tuition at the research institutions reflected about 74% of cost.

INSTITUTIONAL COMPARISONS

29. How do UH tuition schedules compare nationally, in the WICHE region, and with benchmark institutions?

UH 1996-97 resident tuition schedules were below WICHE, benchmark, and national averages. For example, the annual UH Manoa undergraduate resident tuition and required fees were approximately $800 less than the WI CHE average, $900 less than the national average, and $1300 less than the benchmark group average.

UH 1996-97 non-resident tuition schedules, with the exception of the School of Medicine and the UH Community' Colleges, were also below WICHE, benchmark, and national averages. For example, the UH Manoa undergraduate non-resident tuition and fees were $1600 less than the national average, $2500 less than the WICHE average, and $3400 less than the benchmark

group average.

With one exception (community college tuition in California), Hawai'i has the lowest ratio of tuition and fees to per capita disposable income (for all types of institutions) of all the western states.

Tuition comparisons for 1997-98 will be made available as soon as possible. We expect University of Hawai'i resident tuition rates to remain below national, WICHE, and benchmark average charges. UH non-resident rates will be more competitive and, in some cases, exceed average charges elsewhere.

HIGHER EDUCATION INCENTIVES

30. What new programs has the federal government initiated to encourage students to pursue higher education?

The Taxpayer Relief Act of 1997 may encourage citizens to pursue higher education by providing incentives through tax benefits.

a. Hope and Lifetime Learning Tax Credits.

The Hope tax credit is effective January 1,1998, for students in their first two years of post secondary education. The taxpayer may claim 100% of the first $1000 in tuition and qualified fees and 50% of the next $1000 in tuition and qualified fees for a maximum $1500 tax credit.

Students who are not eligible for the Hope tax credit may claim the Lifetime Learning tax credit of 20% of $5000 of tuition and qualified fees to a maximum $1000 tax credit for each year enrolled. The Lifetime Learning credit will increase to a maximum of 20% of $10,000 qualified tuition and qualified fees in the year 2003. The Lifetime Learning tax credit is effective for tuition payments made after June 30,1998.

These tax credits will benefit mostly middle income students because the tax credit is non-refundable (if the family's tax liability is less than the amount of the tax credit, the family may not claim the full value of the tax credit). Qualified tuition and fees are reduced by grants, scholarships, and tuition waivers received by the student. Also, the benefits are phased out for the single taxpayer with an Adjusted Gross Income (AG I) between $40,000 and $50,000 and for the joint tax filers with AGI between $80,000 and $100,000.

b. Other Initiatives.

(1) Effective 1998, interest paid on educational loans

is tax deductible for certain taxpayers for the first 60 months of loan payments.

(2) Employer-provided undergraduate educational assistance is excluded from the employee's taxable income, and withdrawals can be made from IRA accounts for qualifled educational expenses tuition, fees, books, supplies, equipment, mom and board) without penalty.

(3) The recent federal tax bill also created a new education IRA which would encourage savings for college expenses. $500 per year may. be invested into an educational IRA until the beneficiary reaches 18 years of age.

(4) The tax bill also provides tax-exempt status for the purchase of state tuition plans.

31 What impact could these federal programs have on the University or Hawai'i?

Although the provisions of the tax bill do not provide direct financial assistance to students and their families, they may encourage enrollment because the cost of attendance for some can be offset by reduced tax liabilities. For some families, these tax benefits will reduce the cost of attendance to a mom affordable level (in the form of partial reimbursements for tuition payments). This may then lead to increased enrollment at the UH system campuses.

Attachment4
QUESTON-AND-ANSWER INFORMATION ON THE HOPE SCHOLARSHIP AND LIFETIME LEARING TAX CREDITS

Information on the Hope Scholarship and Lifetime Learning Tax Credits

This information was culled from the Web pages of the National Association of Student Financial Aid Administrators (www.nasfaaorg/doclib/html/gov/gov/gtax829.html) and the American Association of Community Colleges (www.aacc.nche.edu). It is not to be construed as tax advice or counsel.

Also see IRS Notice 97-60 at the following Web address: www.ed.gov/offices/OPE/PPI/tra_qa.html.

What is the Hope Scholarship Tax Credit?

Not technically a "scholarship," the Hope tax credit provides eligible taxpayers with a federal income tax credit of up to $1,500 per student per year (100 percent of the first $1,000 plus 50% of the next $1,000 of qualified tuition and related expenses) for the first two years of postsecondary education. Credits are

for expenses paid on or after January 1, 1998, for a student who is enrolled at least half-time (a minimum of six credits per term) and is not convicted of a felony drug offense.

What is the Lifetime Learning Tax Credit?

Students not eligible for Hope credit may file for the Lifetime Learning benefit, which allows a tax credit of up to $1,000 for qualified tuition and expenses affer June 30,1998. The credit is limited to a maximum of $1,000 per taxpayer return, but may be claimed for an unlimited number of years.

What are "qualified tuition and related expenses"?

They are tuition and fees required for enrollment or attendance by the taxpayer, taxpayer's spouse, or dependent Book costs, activity fees, insurance expenses, and room and board are not included. Qualified tuitiori and fees must be reduced by the amount of any scholarships, fellowship grants, or other tax-free educational benefits received.

Are there other eligibility requirements?

Yes. Students must have a high school diploma or equivalent and be enrolled in a degree, certificate, or other program that leads to a recognized educational credential. Unclassified students are not eligible.

Does everyone qualify?

No. Both tax credits are "non-refundable." That is, they are not available to anyone who does not have a federal income tax liability. Also, the tax credit is phased out for single taxpayers earning $40,000--$50,000 and joint filers earning $80,000-$100,000. A taxpayer who claims either a Hope credit or an exclusion for certain distributions from an educational IRA for a student cannot also claim a Lifetime Learning credit for that student for that tax year.

Who can claim eligible expenses?

The taxpayer, taxpayer's spouse, or a dependent For dependent students, credits are allowed only if the student is claimed by a taxpayer as a dependent during the tax year for which the credit is claimed.

Have spring tuition payment deadlines been adjusted for the semester beginning January I2, 1998 to allow students to claim the tax credit?

Manoa, Hilo and Community Colleges campuses will allow a one-time-only delay for payments so students can take advantage of the Hope tax credit for spring 1998.

BEST COPY AVAILABLE

Revised deadlines are:
Jan. 5 for Kapi'olani CC, windward CCs
Jan. 6 for Leeward CC, Maui CCs
Jan. 7 for Kaua'i CC
Jan. 8 for Honolulu CC
Jan. 9 for Hawai'i CC and UH Hilo
Jan.26 for UH Manoa

UH-West O'ahu students do not qualily for the Hope tax credit because the campus enrolls only upper division students and the Hope credit is restricted to freshmen and sophomores. UH-West O'ahu payment deadlines are January 6-8, 1998.

How do taxpayers obtain the Hope tax credit?

By filing federal income tax documents. Details are still being worked out, but families may be asked to complete a tax form similar to those used to report dividend income or claim child care expenses. Institutions may issue reports to the student, taxpayer, and the Treasury Department and may need to collect additional information. UH students who receive correspondence requesting information are advised to respond as quickly as possible.

Are there other new federal educational tax benefits?

Yes. Additional tax benefits include:

- An exemption of employer-provided assistance under Section 127 of the IRS Code.
- Deduction of interest on educational loans.
- Penalty-free withdrawals from individual retirement accounts to pay for higher education.
- Contributions to educational IRAs for children under age 18.

How do I get more information?

The U.S. Department of Treasury and Department of Education have announced that a guide for families will soon be available. It is to be posted on the U.S. DOE Web site (www.ed.gov) or can be requested by calling the College Board's Washington Office at (202) 822-5900. Families should consult their tax advisers or preparers for specific information about their situations.

ATTACHMENT 5
PER-CREDIT-HOUR SCHEDULE

Academic Years

1997-98 1998-99 1999-00

	Res	Non-Res.	Res	Non-Res.	Res	Non-Res.
UH MANOA						
Undergraduate	118	388	122	392	126	396
Graduate	158	405	163	410	168	415
Law	220/292	560	242/321/334	588	355	618
Medicine	441	1020	451	1022	461	1032
UH HILO						
Lower Div	53	287	56	290	59	293
Upper Div	89	321	92	324	95	327
Graduate			163	410	168	415
UH_WEST O'AHU	73	287	76	290	79	293
UH COMMUNITY COLLEGE	39	238	41	240/244	43	242/252

ATTACHMENT 6
University of Hawai'i Tuition, 1998-1999 & 1999-2000
Comparisons: Undergraduate Tuition & Fees, 1996-97
UH Manoa and Estimated State Averages

Rank/Institutions	Resident
1. Vermont	$7,211
2. Michigan	5,710
3. Pennsylvania	5,624
12. California	4,355
19. Oregon	3,540
21. National Avg (1996-97)	3,358
22. Washington	3,250
25. Hawai'i (UHM 1998-99)	3,046
25. Hawai'i (UHM 1997-98)	2,950
39. Hawai'i (UHM 1996-97)	2,422
48. Nevada	1,920
49. Florida	1,888
50. Idaho	1,768

Rank/Institutions	Non-Residents
1. Michigan	$17,916
2. Vermont	17,303
3. Virginia	14,434
7. California	12,749
13. Oregon	11,664
20. Washington	9,866
24. Hawai'i (UHM 1998-99)	9,526
24. National Avg (1996-97)	9,504
25. Hawai'i (UHM 1997-98)	9,430
31. Hawai'i (UHM 1996-97)	7,870
38. Nevada	7,020
48. Oklahoma	5,968
49. Louisiana	5,963
50. Mississippi	5,476

Camparisons: Undergraduate
Tuition & Fees, 1996-97

UH Hilo and Estimated State Averages

Rank/Institutions	Residents
1. Vermont	$4,248
2. Pennsylvania	4,126
3. Virginia	3,997
13. Oregon	3,198
19. National Avg (1996-97)	2,645
23. Washington	2,441
27. Hawai'i (UHH-UD 1998-99)	2,258
28. Hawai'i (UHH-UD 1997-98)	2,186
39. California	1,923
40. Nevada	1,920
43. Hawai'i (UHH_UD 1997-97)	1,826
45. Oklahoma	1,645
46. North Carolina	1,618
47. New Mexico	1,514
47. Hawai'i (UHH-LD 1998-99)	1,394
47. Hawai'i (UHH-LD 1997-98)	1,322
47. Hawai'i (UHH-LD 1996-97)	938

Rank/Institutions	Non-Residents
1. Virginia	$9,714
2. New Hampshire	9,520
3. Pennsylvania	9,328
4. California	9,303
8. Washington	8,626
11. Oregon	8,174
18. Hawai'i (UHH-UD 1998-99)	7,826
18. Hawai'i (UHH-UD 1997-98)	7,754
24. Nevada	7,020
25. Hawai'i (UHH-LD 1998-99)	7,010
25. Hawai'i (UHH-LD 1997-98)	6,938
25. National Avg (1996-97)	6,924
27. Hawai'i (UHH-UD 1996-97)	6,458
33. Hawai'i (UHH-LD 1996-97)	5,786
45. Alabama	3,979
46. Oklahoma	3,970
47. Nebraska	3,662

Comparisons: Undergraduate
Tuition & Fees, 1996-97
UH CCs and Estimated State Averages

Rank/Institution	Resident
1. Vermont	$2,880
2. Massachusetts	2,540
3. New York	2,454
5. Alaska	2,150
18. Oregon	1,545
19. National Avg (1996-97)	1,457
19. Colorado	1,449
23. Washington	1,401
24. Utah	1,349
36. Nevada	1,095
41. Hawai'i (UHCC 1998-99)	1,005
41. Hawai'i (UHCC 1997-98)	957
44. Hawai'i (UHCC 1996-97)	789
45. Arizona	774

46.	New mexico	744
47.	North Carolina	557
48.	California	390

Rank	institution	Non Resident
1.	Massachusetts	$7,340
2.	Illinois	6,565
3.	Wisconsin	6,552
4.	Alaska	6,350
5.	Colorado	6,042
8.	Hawai'i (UHCC 1998-99)	5,781
8.	Hawai'i (UHCC 1997-98)	5,733
9.	Washington	5,511
11.	Hawai'i (UHCC 1996-97)	5,133
16.	Utah	4,647
18.	Oregon	4,614
19.	Arizona	4,520
24.	Nevada	4,295
29.	National Avg (1996-97)	4,105
30.	California	3,810
46.	Texas	1,850
47.	New Mexico	1,764
48.	Nebraska	1,459

Comparison: Graduate
Tuition & Fees, 1996-97
UH and Estimated State Average

Rank/	Institution	Resident
1.	Michigan	$9,500
2.	New Jersey	6,766
3.	Vermont	6,732
6.	Oregon	5,889
12.	Washington	5,044
17.	California	4,395
20.	Hawai'i (1998-99)	4,030
20.	Hawai'i (1997-98)	3,910
21.	Natinal Avg	3,778
26.	Hawaii'i (1996-97)	3,261
48.	Arizona	2,009
49.	Oklahoma	1,885
50.	Nevada	1,740

Rank/	Institution	Non Resident
1.	Michigan	$19,118
2.	Vermont	16,824
3.	Virginia	14,434
9.	California	12,789
11.	Washington	12,475
19.	Oregon	10,062
20.	Hawai'i (1998-99)	9,958
20.	Hawai'i (1997-98)	9,838
23.	Natinal Avg	9,395
26.	Hawai'i (1996-97)	8,205
38.	Nevada	6,840

48.	Mississippi	5,476
49.	Nebraska	5,293
50.	Oklahoma	5,085

Comparison: Graduate
Tuition & Fees, 1996-97
UH and Estimated State Average

Rank	Institution	Resident
1.	Missouri	$16,962
2.	Minnesota	16,186
3.	Vermont	16,010
4.	Oregon	15,642
6.	Michigan	14,052
9.	Colorado	12,441
15.	Hawai'i (1998-99)	10,932
15.	Hawai'i (1997-98)	10,692
18.	Natinal Avg	9,921
21.	Hawai'i (1996-97)	9,107
22.	California	9,103
23.	Nevada	8,947
30.	Washington	8,061
40.	New Mexico	5,363
41.	Puerto Rico	5,180
42.	North Carolina	3,054

Rank	Institution	Non Resident
1.	Colorado	$51,669
2.	Missouri	33,625
3.	Oregon	31,281
8.	Michigan	25,974
11.	Hawai'i (1998-99)	24,636
12.	Hawai'i (1997-98)	24,396
14.	Hawai'i (1996-97)	23,243
17.	Nevada	22,566
21.	National Avg	21,936
24.	Washington	20,473
33.	California	17,497
38.	Louisina	14,451
39.	Mississippi	13,075
40.	Puerto Rico	10,680

Attachment 7
TUITION PUBLIC MEETINGS AND INFORMATION SESSIONS
SUMMARY OF COMMENTS/CONCERNS

University of Hawai'i Tuition Proposal, 1998-1999 and 2000
HITS Briefing from UH-Manoa, November 6, 1997
On-site Briefing at Windward CC, November 18, 1997

Attendance at University Sites

Site	Date	# Attending	# Speaking
UH-Manoa	November 6, 1997	9	1
UHWO (at LCC)	November 6, 1997	1	0
UHH/HawCC	November 6, 1997	4	1
West Hawai'i	November 6, 1997	10	0
HonCC	November 6, 1997	3	1
KapCC	November 6, 1997	1	0
KauCC	November 6, 1997	1	0
LCC	November 6, 1997	1	0
MCC-Kahului	November 6, 1997	3	1
Moloka'i Edu. Center	November 6, 1997	2	1
Lana'i Edu. Center	November 6, 1997		
WinCC	November 18, 1997	11	3

Comments/Questions

#	Comments/Questions
4	Requests for clarification of federal tax credits
3	How will the additional revenues from tuition increases be used?
3	Tuition increases have a negative effect on people at the lower income levels.
3	There is some benefit to increased tuition
1	Increased tuition forces students to take more credits than they would if tuition weren't so high.
1	Moloka'i students should be exempt from tuition increses because the benefits they receive from the added tuition revenue are minimal.
1	Disagreed with the argument that the student should accept a larger shave of the cost of his/her education-students are taxpayers too.

Island	Date of Hearing	Number Attending	Number Testifying
Hilo	Nov. 20, 1997	50	11
Ohau	Nov. 24, 1997	36	7
Maui	Dec. 01, 1997	7	2
Kauai'i	Dec. 02, 1997	14	1

Comments/Concerns Raised

The following were concerns raised by individuals at the public hearings or by means of written comments forwarded to the administration.

#	Comments
11	There have been no improvements in the quality of my education as a resulf of past increases.
10	Tuition increases place a heavy burden on minorities and lower income groups that public educaiton is supposed to help.
6	Higher tuition makes education less accessible to the citizens of the State
4	tuition at present levels is already burdensome
3	Tuition increases have resulted in lower enrollments in the UH System.
2	Request for a moratorium or exemption from tuition increase

BEST COPY AVAILABLE

for a particular group.
2 How will the additional revenues from tuition be used?
1 Higher education should be free

It was suggested that the differential between the lower and upper division rates at UH-Hilo could be eliminated now while achieving revenues comparable to those associated with the proposed schedule.

Petitions Submitted

UHM- "Petition Against the Proposed Tuition Increase for University of Hawai'i Students" (65 signatures).

UHH- "We the undersigned are concerned memebers of the UH Community who believe that teh current tuition rates are burdensome and that further increases are intolerable." (387 signatures)